

Strictly Confidential



CENTURY PACIFIC FOOD, INC.

Corporate Presentation

Century Pacific Food, Inc. (PSE: CNPF)



As of March 2017

"To nourish & delight everyone, everyday, everywhere"



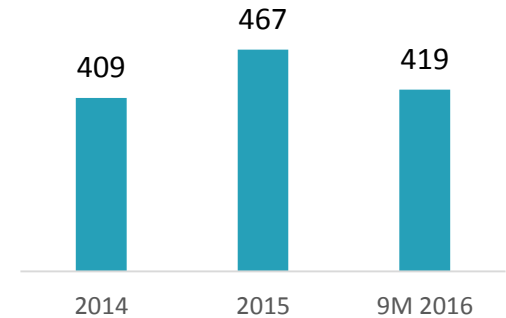
Company Overview

Snapshot

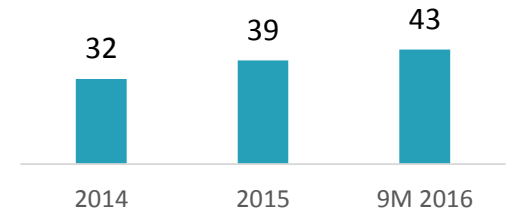
- **Century Pacific Food, Inc** is the largest canned food company in the Philippines
- Over its 40 year operating history, it has built a portfolio of leading and well recognized brands in three core segments - marine (38% of sales), meat (28% of sales) and milk (11% of sales). The Company is also the Philippines' leading exporter of original equipment manufacturer (OEM) tuna (13% of sales) and OEM coconut products (10% of sales).
- The Company listed on the Philippine Stock Exchange in 2014, under the trading symbol CNPF. It currently has a market capitalization of about USD1.2 billion.
- **Production facilities:** 6 manufacturing facilities across the Philippines, strategically located adjacent to supply sources (Tuna and Coconut in General Santos City, Meat in Laguna City, Dairy in Taguig City, Sardines in Cavite and Zamboanga City)
- **Key Management:** Christopher T. Po, President and CEO – 14 years at CNPF (8 years as CEO), 11 years of prior multi-industry experience; Teodoro T. Po, EVP and COO – 25 years experience of running various business units in CNPF; Oscar A. Pobre, CFO – 20 years in CNPF's corporate finance, treasury, accounting and controllership

Financials

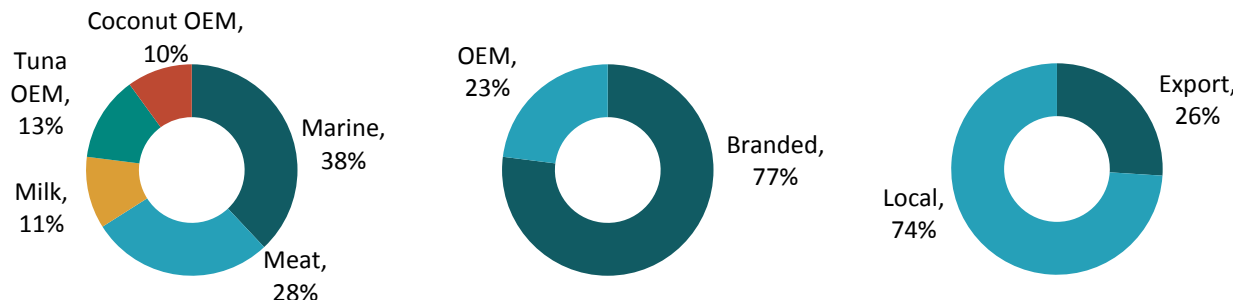
Revenues (in USD Mill)



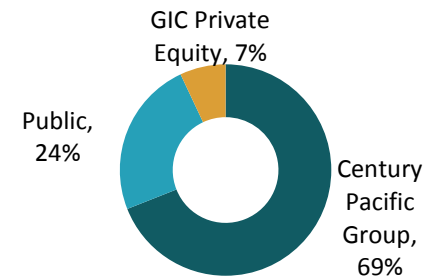
Net Income (in USD Mill)



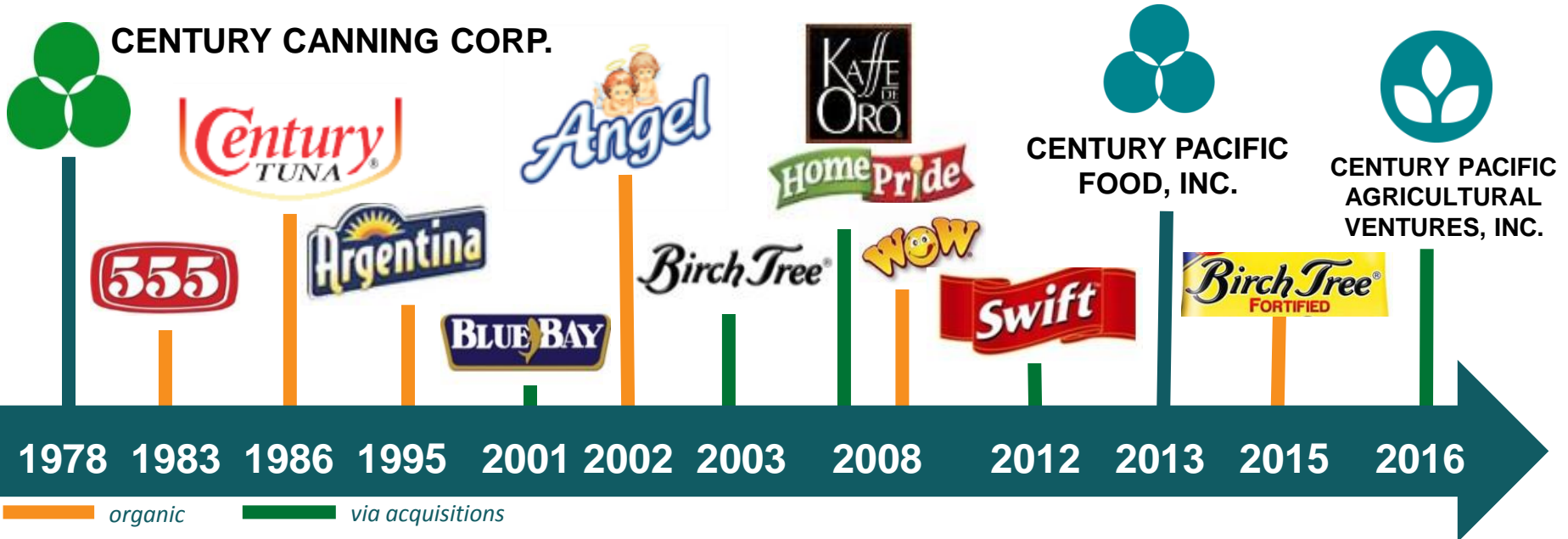
Revenue Breakdown



Ownership Structure



Proven track record in brand-building

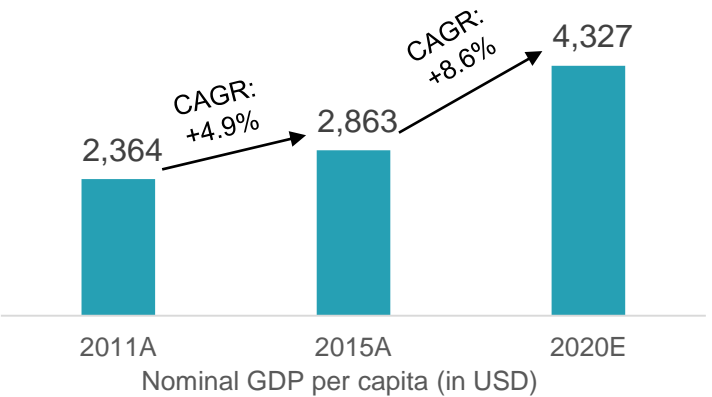


<p>2011</p>  <p>Century Canning Marketing Company of the Year</p>	<p>2011 to 2013</p>  <p>Century Tuna and Argentina Reader's Digest Trusted Brand</p>	<p>2014</p>  <p>Gregory Banzon Awardee for Marketing Excellence</p>	<p>2016</p>  <p>Asia Marketing Federation CNPFA Asia's Marketing Company of the Year</p>	<p>2016</p>  <p>CNPFA Philippines' Best Managed Company – Small Cap</p>
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Well-positioned to take advantage of rising consumer demand

Rising nominal GDP per capita...



Source: IMF

...to support an emerging middle class

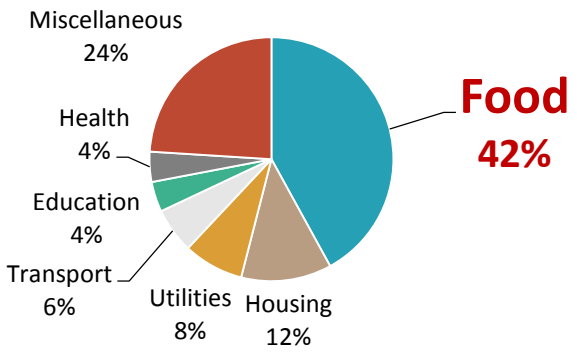
Distribution of Families and Income

SE class	Households		Annual income in Php
	Number in 000	% share	
AB	193	1	2,213,000
C	2,228	10	632,000
D	12,684	59	218,000
E	6,321	30	68,000
Total	21,426	100	

Source: NSCB, Kantar Worldpanel, SWS
Based on 2012 data

Food accounting for bulk of family expenditure

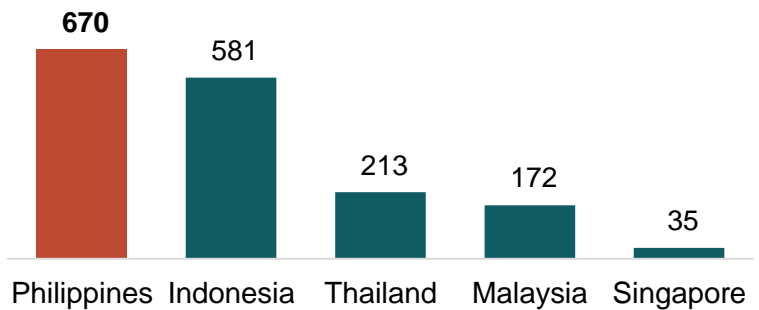
Breakdown of Family Expenditures



Source: 2015 PSA data

PH shelf-stable market the largest in ASEAN

Shelf-stable food total consumption (US\$m)

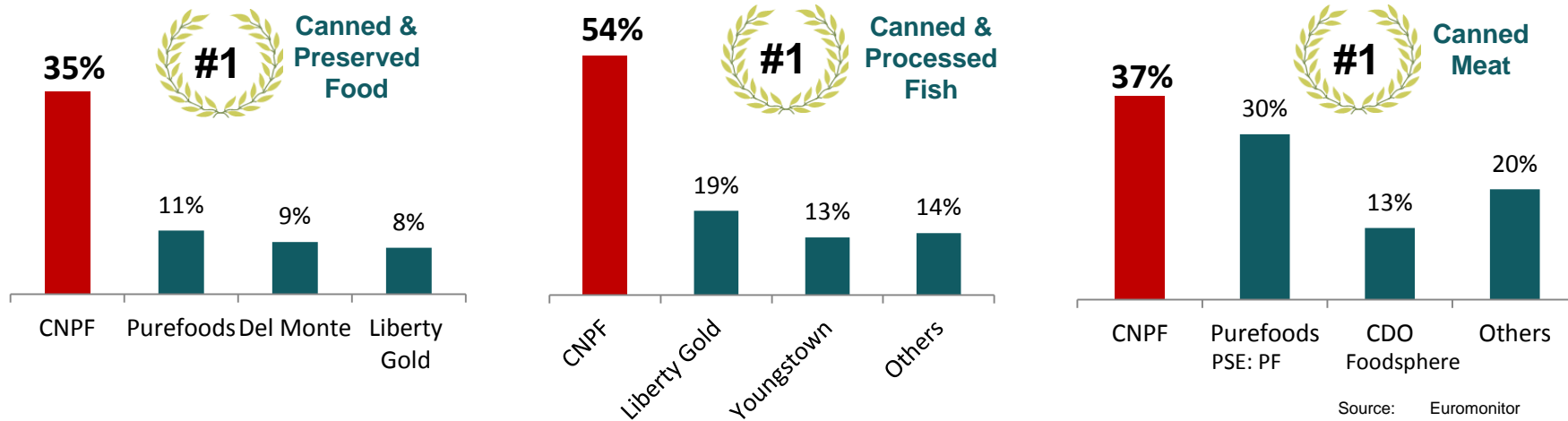


Source: 2016 Euromonitor data

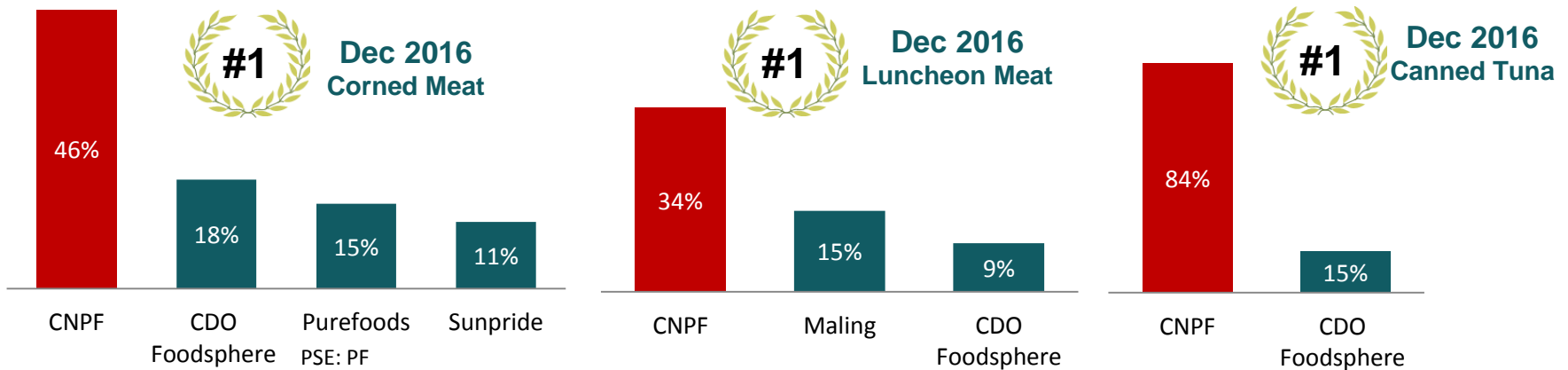
2 Dominant market leadership in ambient food in the Philippines

The Company's brands are the brands of choice for Filipino consumers

Largest and Leading Canned Producer



Dominant Positions in Key Sub-Segments



Source: Nielsen

3 Multiple brands and products catering to all consumers

Diverse product portfolio catering to a broad customer base and different customer tastes and needs

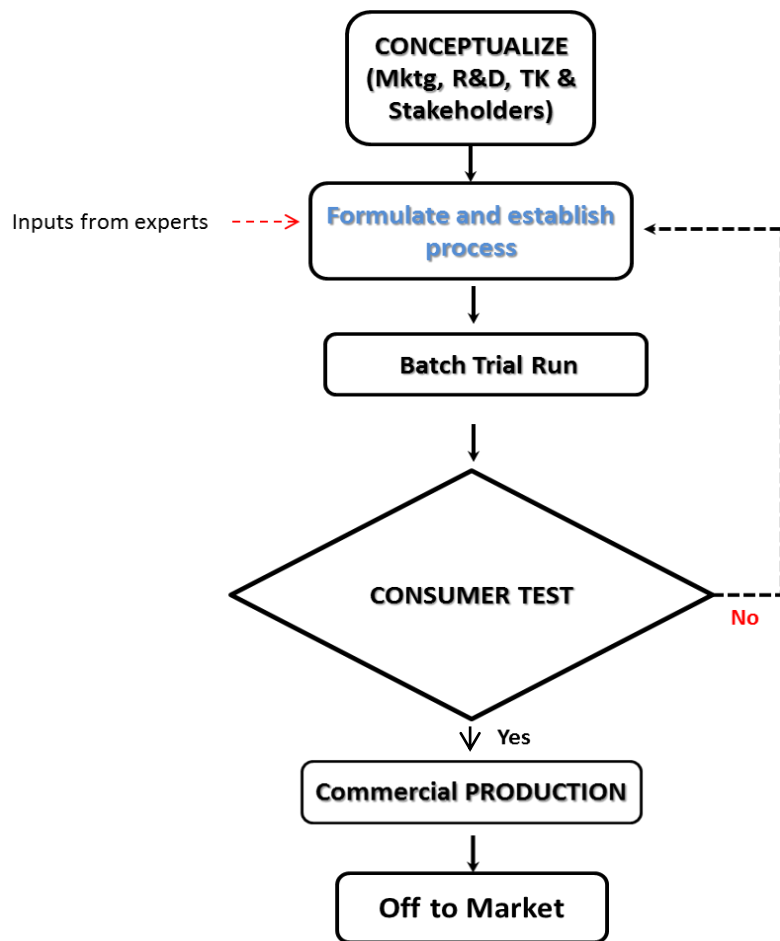


Significant benefits of a multi-brand, multi-product portfolio

- Catering to a broad customer base through multiple brands and capturing larger share of the consumers' wallet / stomach through multiple segments / products
- Increased bargaining power with suppliers and distributors
- Diversification of risk and facilitate brand consolidation play

R&D Process Flow

An integral part of **launching new products** and **improving profitability**



Innovative Marketing Campaigns

Enhancing brand recognition through **active and targeted** marketing and promotional campaigns



Capitalizing on **healthier lifestyles**



Ability to reposition and develop **premium products**



Intuitive and appealing ad-campaigns **employing celebrity endorsers** to create must have and aspirational brands

6 Experienced and dedicated management team

Highly experienced professionals in their respective areas of expertise

Executive Committee Profile

**President & CEO
EVP & COO**

7 Vice Presidents

Average Tenure – 11 years

Average Work Experience – 20 years



Cumulative Professional Experience – 280 years

Christopher Po
President and CEO

- Previously served as Management Consultant at McKinsey, Managing Director at Guggenheim Partners, and Corporate Planning Head at JG Summit
- Summa Cum Laude from Wharton; MBA from Harvard Business School

Teodoro Po
EVP and COO

- 23 years experience of running various business units of Century Group; Designed, built and managed several factories of the group
- Summa Cum Laude from Boston University; Owner/President Management Program from Harvard Business School

Oscar Pobre
VP and CFO

- 19 years managing the corporate finance, treasury, accounting and controllership at Century Group of Companies
- 17 years in finance functions at RFM, Cosmos, Dole, and Meralco

Gregory Banzon
VP - GM Canned Fish, Tuna

- 22 years of experience in various general management, marketing and sales roles including VP- Marketing of Johnson & Johnson ASEAN, Country General Manager of Johnson & Johnson Indonesia, and General Manager at RFM

Cezar Cruz, Jr.
VP - GM Canned Fish, Sardine

- 29 years of experience in various technical, operations and business development roles at San Miguel and RFM
- President of the Sardine Association of the Philippines

Rex Agarrado
VP – GM Canned Meat

- 18 years of experience in various technical and manufacturing roles at San Miguel, RFM, Quaker and California Manufacturing Corporation
- Director of the Philippine Association of Meat Processors, Inc.

Edwin Africa
VP – GM Dairy and Mixes

- 22 years of experience in general and brand management roles in the Philippines, Taiwan, Thailand, Singapore, Malaysia and China
- Procter & Gamble from 1991 to 2001, Nippon Paint from 2001 to 2004, and Pepsico from 2005-2012

Teddy Kho
VP – GM Tuna Export

- 21 years of experience in various management, operations and technical roles including President and General Manager of San Miguel Foods Vietnam and Plant Manager of San Miguel Hoecheong

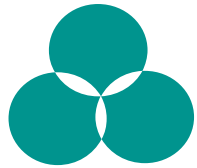
Noel Tempongko
VP – GM CPAVI

- 27 years of experience in various general management roles in fast-moving consumer goods companies, including San Miguel Yamamura Packaging Corp and The Purefoods-Hormel Company Inc

Ron Agoncillo
VP - Sales

- 8 years of experience in sales management roles at National Sales and Cadbury, Unilever Indonesia & Philippines, 3M, and Shell



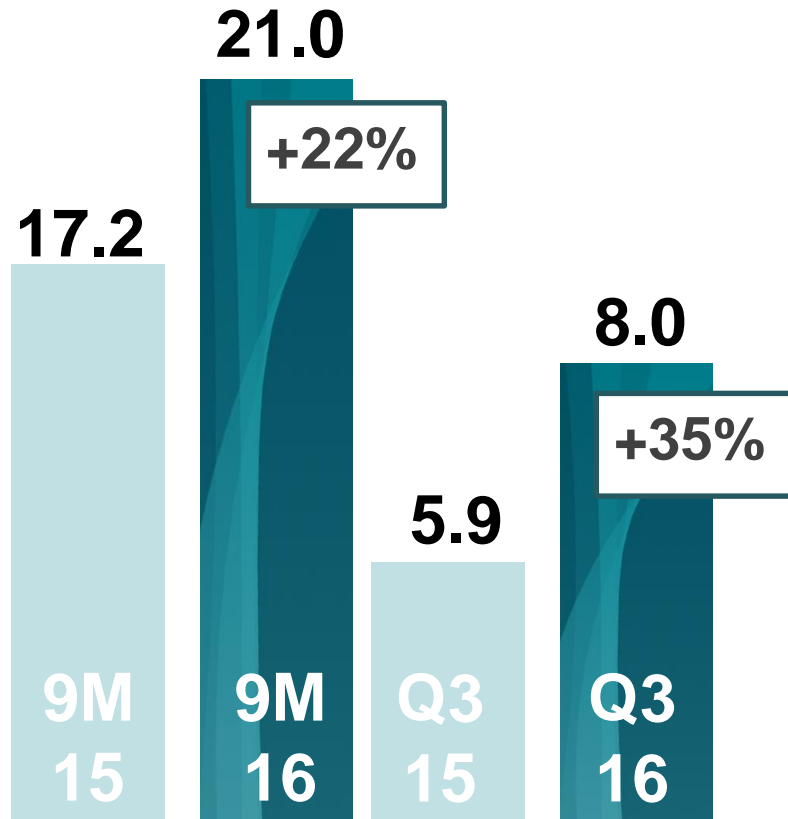


CENTURY PACIFIC FOOD, INC.

YTD Sep 2016 UNAUDITED FINANCIAL RESULTS



Revenues



Figures in Php billions

- Sustained growth in **Branded Food** with higher volumes and better sales mix
- Recovery in **Tuna OEM** with Q3 revenue growth reversing back to double-digits
- Consolidation of recently acquired **Coconut OEM** subsidiary CPAVI beginning January 2016

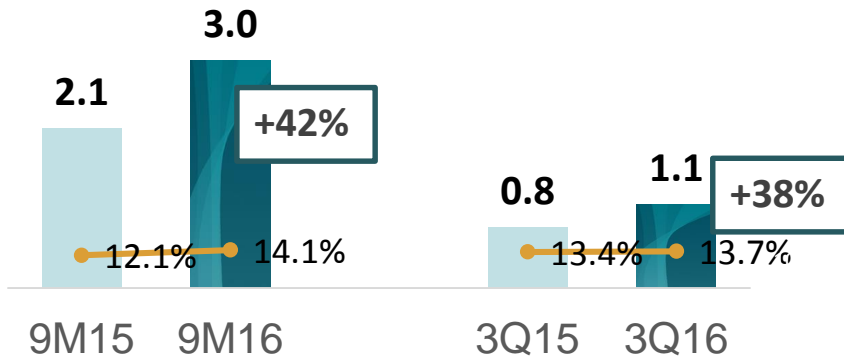
Total Revenues

Profitability

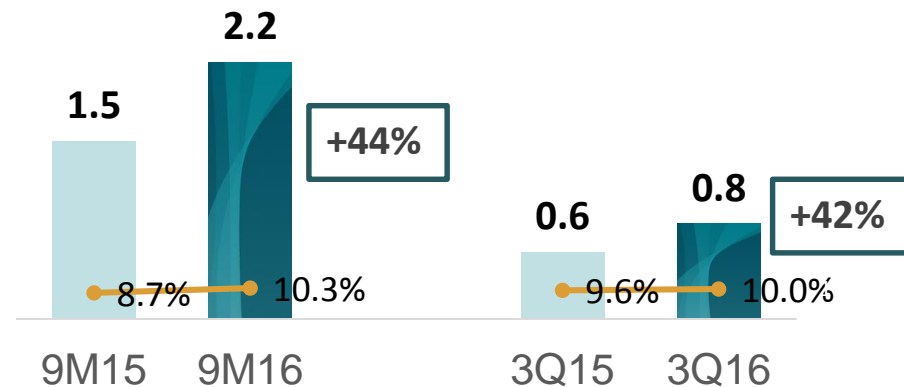
- Generally subdued input costs
- Continued efficiency gains
- Improved contribution from higher-margin products

Operating Income

Figures in Php Billions



Net Income



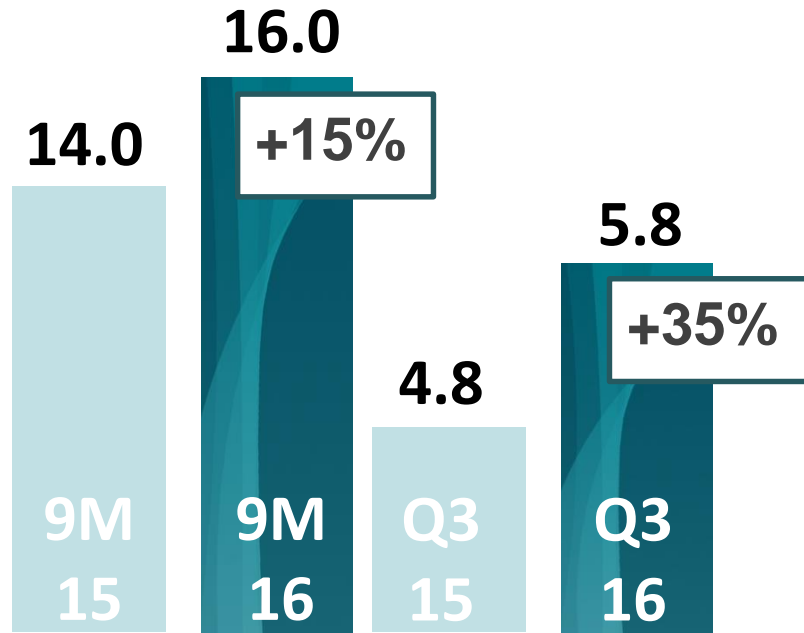
Operating Income

Operating Margin

Net Income

Net Margin

Branded Food Revenues



Figures in Php billions

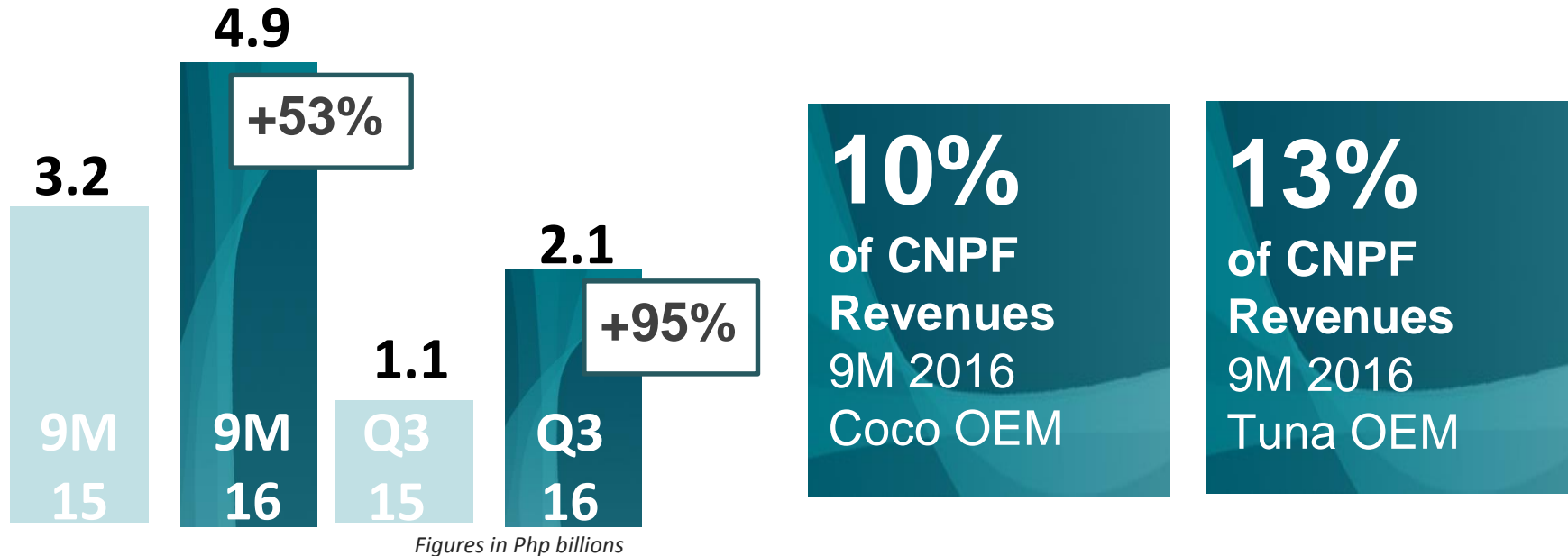
- Growth mostly due to higher volume
- Better sales mix leading to increased average selling price

MARINE benefitting from continued brand-building, increasing per capita consumption and growing the category size.

MEAT added a new line to address capacity constraints.

MILK continuing to make inroads in mainstream powdered milk.

Non-Branded Food Revenues



- Driven by consolidation of coconut subsidiary and tuna OEM recovery in Q3 from both higher volumes and ASP.
- Stabilizing tuna raw material cost in recent months encouraged demand from OEM customers.

Income Statement

in PHP Mill	YTD Sep '16	YTD Sep '15	Change YoY	Q3 2016	Q3 2015	Change YoY
Net Revenues	20,964	17,185	22%	7,959	5,877	35%
Cost of Sales	14,283	12,663	13%	5,206	4,341	20%
Gross Profit	6,681	4,521	48%	2,754	1,536	79%
Operating Expenses	3,769	2,525	49%	1,707	794	115%
Operating Income	2,964	2,087	42%	1,087	787	38%
EBITDA	3,210	2,216	45%	1,178	828	42%
Income Before Tax	2,892	2,084	39%	1,061	786	35%
Income Tax	733	587	25%	263	224	17%
Net Income	2,160	1,497	44%	798	561	42%
EPS (PHP)	0.61	0.45	36%	0.23	0.17	34%
Margins						
Gross	31.9%	26.3%	+5.6pps	34.6%	26.1%	+8.5pps
Operating	14.1%	12.1%	+2.0pps	13.7%	13.4%	+0.3pps
EBITDA	15.3%	12.9%	+2.4pps	14.8%	14.1%	+0.7pps
Net	10.3%	8.7%	+1.6pps	10.0%	9.6%	+0.5pps
Effective tax rate	25.3%	28.2%	-2.8pps	24.8%	28.5%	-3.7pps

Balance Sheet

in Php Mill	YTD Sep '16	FY 2015
Cash	768	722
HTM Investment	27	15
Receivables	4,050	3,593
Inventories	7,487	5,926
Others	538	291
Current Assets	12,870	10,547
PPE	3,817	3,134
Intangible Assets	3,017	2,955
Other Noncurrent Assets	138	146
Total Noncurrent Assets	6,972	6,235
Total Assets	19,843	16,782

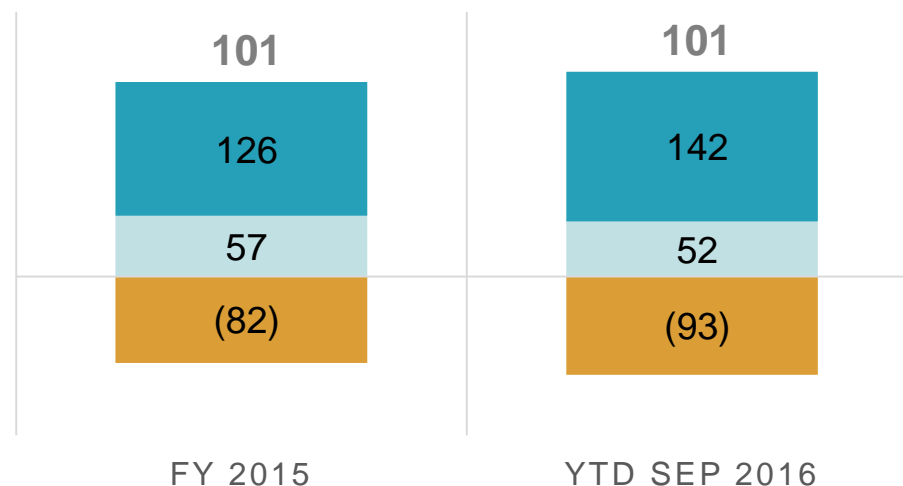
in Php Mill	YTD Sep '16	FY 2015
Trade and Other Payables	4,904	3,864
Notes Payable	654	2,250
Others	401	161
Current Liabilities	5,958	6,274
Long-term Loan	1,650	0
Others	201	161
Noncurrent Liabilities	1,851	161
Share Capital	3,541	2,361
Share Premium	4,912	4,912
Retained Earnings	3,497	2,990
Other Equity	83	84
Total Equity	12,033	10,347
Total Liabilities and Equity	19,843	16,782
Book value per share (PHP)	3.40	2.92

Cash Flows and Cash Conversion Cycle

in Php Mill	YTD Sep '16	YTD Sep '15
Income before Tax	2,892	2,084
Depreciation & Amortization	246	129
Change in Working Capital	(1,099)	(1,517)
Taxes Paid	(733)	(587)
Others	220	(41)
CF from Operating Activities	1,527	67
Acquisition of PPE	(930)	(513)
Others	(61)	159
CF from Investing Activities	(991)	(353)
Dividends Paid	(472)	(446)
Change in Debt	54	-
Others	(72)	(3)
CF from Financing Activities	(490)	(449)

in Php Mill	YTD Sep '16	YTD Sep '15
Beginning Cash	722	1,264
Change in Cash	46	(735)
Ending Cash	768	529

■ Receivable Days ■ Inventory Days ■ Payable Days



Share Price Performance

As of 01/13/17	
Current Price	PHP15.96
52 Week Range	PHP9.85-18.60
3 Mo Avg Turnover	USD0.8 Million
Market Capitalization	PHP56.53 Billion USD1.13 Billion
Free Float	20.9%
12 Mo Absolute Performance	+60.0%
12 Mo Relative to Index	+48.6%
3 Mo Absolute Performance	-0.3%
3 Mo Relative to Index	+0.8%

Source: Deutsche Bank 2017 Estimates	CNPF	Phil Consumer Average
PER	20.0x	19.2x
EV/EBITDA	13.3x	10.0x
PBV	3.9x	3.0x
Operating Margin	12.5%	8.4%
ROE	21.0%	15.4%

Sell-Side Coverage

Deutsche Bank 

CLSA

 **Maybank**

Jefferies 

COL FINANCIAL
PHILIPPINES


RCBC

 **DBS**
VICKERS
SECURITIES

 **SECURITY BANK**



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